

## Message Text

CONFIDENTIAL

PAGE 01 TORONT 00334 072228Z  
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03  
INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02  
CIEP-01 LAB-04 SIL-01 OMB-01 DODE-00 PA-01 PRS-01  
/058 W

-----072231Z 087388 /64

P R 072111Z FEB 77  
FM AMCONSUL TORONTO  
TO SECSTATE WASHDC PRIORITY 4966  
INFO AMEMBASSY OTTAWA  
AMCONSUL MONTREAL  
AMCONSUL QUEBEC

C O N F I D E N T I A L TORONTO 0334

E.O. 11652: GDS  
SUBJECT: REPORTING BY TORONTO AND MONTREAL ON INVESTOR  
REACTION TO LEVESQUE'S NEW YORK SPEECH

REF: (A) MONTREAL 142; (B) TORONTO A-14

1. TORONTO SENT REF (B) TO DEPARTMENT ON 1 FEBRUARY (INFO ABOVE POSTS) GIVING REACTION OF FINANCIAL COMMUNITY HERE TO LEVESQUE SPEECH. OUR REPORT DOVERTAILS VERY CLOSELY WITH MONTREAL'S, AS CONTAINED IN REF (A), RECEIVED HERE FEBRUARY 4.
2. TORONTO FOUND WITH MONTREAL PREVALENT OPINION THAT U.S. INVESTORS WILL NOT BUY QUEBEC BONDS AT REASONABLE PRICE FOR SOME TIME, THAT EUROMARKET WAS POSSIBLE ALTERNATIVE TO U.S. FOR QUEBEC ISSUES, AND THAT LEVESQUE WAS UNDOUBTEDLY GOING TO INTRODUCE STRINGENT MEASURES FOR INTERNAL SAVINGS TO REDUCE NEED FOR BORROWING.
3. HOWEVER, ONE OF OUR TORONTO RESPONDENTS HAS BEEN TOLD THAT U.S. INVESTORS WOULD RECONSIDER BOYCOTT IF CANADIANS DEMONSTRATED WILLINGNESS TO BUY QUEBEC ISSUES, AND OTHERS BELIEVED, TOO, THAT U.S. MARKET WOULD SOFTEN POSITION AFTER QUEBEC PROVINCIAL

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BUDGET INTRODUCED IN APRIL. ALL STRESSED THAT BOTH THE PROVINCE AND ITS HYDRO HAD ENOUGH CASH ON HAND TO AVOID HAVING TO GO TO MARKET UNTIL AFTER BUDGET. UNDERLYING FEELING IN CONVERSATIONS WITH TORONTO FIRMS WAS THAT FINANCIAL CONSIDERATIONS WOULD SOON OUTWEIGH ADVERSE REACTION TO LEVESQUE POLITICS AND THAT NEW QUEBEC BUDGET COULD PROVE PROVINCIAL GOVERNMENT'S FISCAL RESPONSIBILITY.

DIGGINS

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FOREIGN INVESTMENT, GOVERNMENT BONDS, PUBLIC ATTITUDES, BONDS (SECURITIES)  
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**Copy:** SINGLE  
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**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977TORONT00334  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Previous Handling Restrictions:** n/a  
**Reference:** 77 MONTREAL 142, 77 TORONTO A-14  
**Retention:** 0  
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**Review Release Date:** n/a  
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**Review Withdrawn Fields:** n/a  
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**Subject:** REPORTING BY TORONTO AND MONTREAL ON INVESTOR REACTION TO LEVESQUE'S NEW YORK SPEECH  
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**Review Markings:**  
Margaret P. Grafeld  
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**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009